

MY MILITARY SERVICE: IS IT ‘CREDITABLE’ TOWARD MY CIVILIAN RETIREMENT?

You may be wondering if your active duty military service is “creditable” (or counts) toward your civilian retirement.

Whether your military service is creditable depends on the following factors:

- when the service occurred.
- whether you are receiving military retired pay.
- which civilian retirement system you are covered under--Civil Service Retirement System (CSRS) or Federal Employees Retirement System (FERS).
- when your civilian retirement coverage began.

Some military service is creditable automatically, but other service may not count unless a monetary deposit is made to your CSRS or FERS account. The following information should help ensure that you receive the maximum credit for your military service.

Military Reservists and National Guard Members Called to Active Duty

Have you ever had a military furlough, military leave without pay or a military separation? If so, you may need to make a deposit for that time in order to get (and keep!) credit toward your retirement. The Public Debt Benefits Staff will be able to help you.

Retired Military

Your military service is generally not creditable if you are receiving retirement pay for that service. (Exception: Your military service may be creditable if your retired pay is based on a combat-incurred disability or on reserve service.)

You can receive full credit for your military time if you:

- waive your military retired pay at the time of your civilian retirement, and
- make the necessary deposits for that service as described below.

Active Duty Before January 1, 1957

Active duty military service performed before January 1, 1957, is fully creditable toward civilian retirement if no military retired pay is being received. No special actions need to be taken, and no deposit is necessary.

Active Duty On or After January 1, 1957 (“Post-56” Military Service)

With one exception, you **MUST** make a deposit to your CSRS or FERS account if you want this service credited toward your civilian retirement.

Exception: If you were in a CSRS- covered position on or before October 1, 1982, your “post-56” military service is fully creditable toward your CSRS retirement without making a deposit. However, if you are eligible for a Social Security benefit at age 62, your CSRS annuity will be recalculated. Your “post-56” military service will be left out of the recalculation. This is because you will be able to receive a Social Security benefit for that period of time. You can’t

receive both the CSRS and the Social Security benefits for the same period of service – unless you’ve made a deposit.

Amount of Deposit

The amount of the deposit varies depending on your retirement system coverage.

If you are covered by CSRS, your military deposit is 7 percent of your military earnings. Interest is added each year to this deposit, beginning three years after your first CSRS-covered appointment or October 1, 1986, whichever is later.

If you are covered by FERS, the military deposit is 3 percent of your military earnings. Interest is added annually to this deposit, beginning three years after your first FERS-covered appointment.

Making a Deposit

For the military service to count toward your retirement the entire deposit (including interest) must be paid in full before you retire. The deposit may be paid in one lump sum or in biweekly payments from your salary check until the entire amount is paid in full.

If you would like more information about military deposits, contact the Public Debt Benefits Staff at (304) 480-7564 or Benefits@bpd.treas.gov. Information is also available on the Office of Personnel Management’s Web site at <http://www.opm.gov/veterans/html/vetguide.asp> (see the section titled “Service Credit”).